

News from Rep. Stephanie Herseth  
For Immediate Release  
Contact: Russ Levens, 202-226-4449

## **HERSETH: BUDGET FAILS RURAL AMERICA**

Fiscally Irresponsible Budget Shortchanges Rural Health Care, Education, Veterans, Seniors, Agriculture

**April 29, 2005, Washington, D.C.** – Last night, the U.S. House of Representatives narrowly approved the Budget Resolution Conference Report by a 214-211 margin. U.S. Rep. Stephanie Herseth voted against the budget because it neglects the needs of South Dakota and rural America. While fiscally irresponsible, the budget also lacks recognition of priorities in rural America including rural health care, education, veterans, seniors and agriculture.

Herseth said, “The Budget is a moral document and a statement of our values that makes clear our nation’s priorities. Unfortunately, South Dakotans who look at this budget will not see a reflection of our priorities.”

Herseth noted several aspects of the budget that neglect rural America:

While restoring \$10 billion in Medicaid funding, it still contains up to \$10 billion in Medicaid cuts that could impact up to 100,000 South Dakotans.

The budget requires \$3 billion in cuts from Agriculture Department programs. Agriculture spending makes up a small percentage of the total federal budget, less than one percent, yet the budget resolution calls for agriculture spending to account for 8.5% of federal mandatory spending reductions, totaling \$3 billion.

The budget resolution that passed on Thursday will inadequately fund veterans’ programs. Veterans’ health care requires a 13-14% annual increase to keep up with growth in enrollment and medical inflation. This budget may force cuts in services to veterans and a longer wait for care. In addition, the funding proposal fails to adequately fund mental health programs for returning troops, or to better ensure that veterans’ claims can be administered on a timely basis.

The budget uses every penny of the Social Security trust fund surplus to finance existing deficits. As we debate how to protect Social Security, it’s irresponsible to rob the trust fund because Congress can’t control itself in the budget process.

The budget includes mandatory cuts in education and pension programs. The conference report requires the House Education and the Workforce Committee to cut mandatory spending by \$12.7 billion over six years (2005-2010). Of that amount, the resolution reportedly assumes \$5.6 billion in savings from changes to the Pension Benefit Guaranty Corporation. The rest would likely come from cutting student loan programs, although the committee could also cut child

nutrition, vocational rehabilitation, or the Federal Employees' Compensation Act.

The budget is fiscally reckless, resulting in \$2 trillion in deficits over the next 5 years when omitted costs are included.

Herseth continued, "We can do better. We can give South Dakota families, rural communities, seniors, children, farmers and veterans the support they deserve, and still balance the budget. As any family with a budget knows, budgeting is about priorities. And this budget places the people and communities in South Dakota at the bottom of the priority list."

Herseth, a Blue Dog Democrat, supports a return to fiscally responsible "pay-as-you-go" rules for the budget process, as well as greater accountability and transparency. In March, the Democratic Rural Working Group released a report outlining the ways in which the Republican budget neglects rural America. Rep. Herseth is co-chair of that group.

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